(c) If so, what actions are proposed by the Ministry to solve the issue?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Representations have been received from various quarters, pointing out difficulties like not enough time being available to deposit tax deducted at source (TDS) at the end of year and doubts about the deductibility of tax on certain payments thus leading to sizeable disallowance of the related expenditure under section 40(a) (ia) of the Income-tax Act.

(c) The Finance Bill, 2008-09, proposes to amend section 40(a) (ia) with retrospective effect from 1-4-2005 (with effect from assessment year 2005-06 onwards) to allow time upto the due date of filling of return of income for deposit of TDS pertaining to deductions made in the month of March so that disallowance is not attracted in such cases under the provisions of section 40(a)(ia) of the Income-tax Act. The due date for filling of return, in most cases of TDS deductors would be 30th September. The taxpayer (deductor) will, therefore, get a time of six months (April to September) for depositing the tax deducted at source on an expenditure incurred in the month of March.

This amendment would give substantial relief to taxpayers from any hardship caused by the pre-amended provisions of section 40(a)(ia) of the Income-tax Act.

Joint initiative of IIFCL, Citi Bank and Blackstone Group

4241. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) the total investments in infrastructure so far made by India Infrastructure Finance Corporation Ltd. (IIFCL);

(b) the status of the joint initiative between IIFCL, Citi Bank and Blackstone Group; and

(c) the likely impact on Indian Infrastructure due to recent financial problem in Citi Bank and Blackstone Group?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) As on 31st March 2008, IIFCL has sanctioned loans for 78 infrastructure projects amounting to Rs. 16,969 crore. These projects involve a total project cost of Rs. 1,18,703 crore.

(b) Agreement for the India Infrastructure Finance Initiative was signed on 15th February, 2007 between IDFC, IIFCL and Citigroup with the objective of facilitating large scale capital investments in infrastructure assets in India. The overall targeted capital to be raised under this initiative is USD 5 billion comprising:

(i) UP to USD 3 billion in long tenor external commercial borrowings with maturities exceeding 10 years to be raised by IIFCL in several tranches over three years, subject to RBI approval, for financing infrastructure projects in India.

(ii) Upto USD 2 billion in equity capital to be raised by IDFC and Citigroup from international and domestic sources including IIFCL in tranches for an unlisted fund with a first tranche of USD 1 billion. Under this, IIFCL is to contribute $25 million to the equity fund.

The first closure of the equity fund has taken place at USD 523.5 million and the documents for the same were signed on 11th March 2008. The fund is expected to be launched shortly after receiving approval of the Reserve Bank of India.

(c) Information is being collected and would be laid on the Table of the Rajya Sabha.

Exodus of executives from PSUs

4242. SHRI RAJKUMAR DHOOT: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether it is a fact that executives from Public Sector Undertakings (PSUs) are quitting jobs to take up employment with multinational and private sector companies;

(b) if so, the details thereof;

(c) whether Government has drawn and strategy to attract and retain capable executives into public sector for better results; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI RAGHUNATH JHA): (a) and (b) Personnel matters like recruitment, promotion, resignation, etc. of below Board level executives of Central Public Sector Enterprises (CPSEs) are decided by the management of the respective CPSEs.

(c) and (d) Some CPSEs in sectors like Petroleum, Power, Steel and Telecommunications have been given higher pay scales than model scales laid down by the Department of Public Enterprises. In addition, various perquisites, allowances and payments in the nature of performance linked incentives are also allowed to employees of CPSEs. Further, Government have set up in November, 2006 the Second Pay Revision Committee under the Chairmanship of Mr. Justice M. Jagannadha Rao, retired judge, Supreme Court of India to look into the issue of revision of scales of pay and allowances of the executives of CPSEs.

Navratna status

4243. SHRI RAMACHANDRA KHUNTIA: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Government is going to give Navranta status to all profit making Public Sector Units including National Aluminium Company Ltd. (NALCO), Orissa and National Hydro Power Corporation (NHPC);

(b) if so, the details thereof;

(c) whether Government intends to give full authority to Central Public Sector Units (CPSUs), and to make all employees as the shareholder of their respective CPSUs; and

(d) whether Government also intends for minimum two part time Directors from workers and one Director form the officers in the Board of Directors?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI RAGHUNATH JHA): (a) and (b) The Government has recently granted Navratna status to NMDC Limited, National Aluminium Company Limited and Power Grid Corporation of India Limited.